NorthMet Mining Project and Land Exchange

Preliminary FEIS Extended Comment Form

Agency: GLIFWC

Comment #:

Comment:

GLIFWC Comments on the Socioeconomics Sections of the PFEIS

5.3.10 Socioeconomics

The IMPLAN model is the primary tool for assessing the economic benefits of the proposed project. However, IMPLAN cannot calculate the negative effects of a mine project on other areas of the economy that depend on unspoiled and healthy natural environments (tourism, hunting, etc.). In addition, IMPLAN cannot assess the economic impact of the proposed project on ecosystem goods and services that nature provides to society. An example of these ecosystem goods and services is free water treatment and flood controls provided by wetlands. If the NorthMet project is permitted, thousands of acres of wetlands will be destroyed and their water treatment functions will have to be replaced by a constructed treatment plant costing millions of dollars a year to operate. Recently, an ecosystem services valuation has been completed for the St. Louis River watershed. This document provides many of the data and tools needed to properly assess the effects of the proposed project on the goods and services that the area provides. This analysis should be included in the NEPA document.

5.3.10.2.1 Economic Activity

On page 5-678, the Preliminary Final Environmental Impact Statement (PFEIS) states, *"There is no current economic activity (e.g., forestry, etc.) on the federal lands, although harvesting of forest products is permitted by the Forest Plan. More importantly, the federal lands are not accessible to the public for economically measurable use, such as forestry or recreation (see Section 5.2.11). Thus, while the federal lands may hold some theoretical economic value for timber harvest, their practical economic value is zero. Table 5.3.10-1 lists data and observations relevant to the economic value of the federal and non-federal lands."*

The Preliminary Final Environmental Impact Statement (PFEIS) fails to account for Natural Capital and Ecosystem Values provided by the intact habitats managed by the Forest Service. This is particularly important given the 6495.4 acre tract is not fragmented. Values should be provided for similar parcels purchased by state and federal agencies and land trusts for similar properties of similar size. No effort was provided to provide Market Value of Land.

6.2.10.4 Cumulative Effects Assessment

Table 6.2.10-231 Summary of Socioeconomic Cumulative Effects

The Final Environmental Impact Statement should acknowledge that global market forces have increased employment instability for mining construction and operation jobs in the Cumulative Effects Assessment Area study region. This is documented on pages 6-128 and 6-129 in which New Direct Employment for construction jobs was reduced from an estimated 1,817 to 750 jobs (i.e. a 58.72% reduction) and New Direct Employment for operational jobs was reduced from an estimated 572 jobs to 390 jobs (i.e. a 31.82% reduction) over a short period of time.

On page 6-129, the Preliminary Final Environmental Impact Statement (PFEIS) states, *"Including indirect and induced employment, this figure could triple (based on multipliers associated with the NorthMet Project Proposed Action), resulting in approximately 1706 total new jobs. Added to the NorthMet Project Proposed Action, cumulative effects on employment could surpass 1,934 total new jobs in the three-county study area."* A close examination of earlier drafts note the authors earlier estimated 2,700 jobs were projected as a result of indirect and induced employment. This documents that the global mining market forces cause further volatility in regional employment when multipliers associated with mining are considered. Authors earlier estimated 2,700 indirect and induced jobs would be created due to mining and this estimated has now been reduced to 1,934 indirect and induced jobs (i.e. a 28.37% reduction). **Furthermore, indirect and induced employment as calculated in the IMPLAN model is not full-time jobs but rather includes full-time, temporary, seasonal and part-time jobs. It is critical to correctly note this fact.**

See page 5-495. Employment: calculated in terms of jobs, not full-time equivalent (FTE) positions. The model does not make a distinction between full-time, part-time, permanent, or temporary jobs. Direct employment estimates were provided by PolyMet.

On page 6-129, the Preliminary Final Environmental Impact Statement (PFEIS) states, *"As of 2011, there were approximately 700 vacant, non-seasonal housing units in Itasca County (as well as 6,900 seasonal units, some of which could conceivably be converted or marketed for full-year use)".* Assuming Itasca county housing will meet the housing needs of construction workers and miners is questionable. First it is approximately 50 miles from the mine site to the very western edge of the county. Housing statistics should be provided for locations close to the mine site not county wide statistics from a neighboring county that is over 50 miles away. In addition, to assume that 6,900 seasonal units, many of which are likely high cost lake homes, are available to meet housing needs is not realistic. Miners and construction workers experiencing fluctuations in employment and income are not in a position to rent lake homes in an adjoining county. What is more likely is increased stress will be placed on the available modest housing units adjacent to the mine site with the potential displacement of current residents who are on fixed and limited income.

6.3.10.3 Cumulative Effects Assessment

On page 6-171, the Preliminary Final Environmental Impact Statement (PFEIS) states, "*The net socioeconomic effects of the Crane Lake Land Exchange would be a marginal increase in recreational activity (and thus regional tourism revenue) in the Superior National Forest, and increased economic benefit to the Town of Crane Lake due to additional development (consistent with existing plans).*"

The methodology used to ascertain socioeconomic effects failed to account for Natural Capital and ecosystem values provided by the intact habitats managed by the Forest Service.